

support in these efforts. Franklin Graham, Cardinals Bernard Law and Theodor McCarrick, the late Cardinal John O'Connor, Father Michael Perry of the United States Catholic Conference, Faith McDonald of the Institute of Religion and Democracy, as well as, the Presbyterian Church, Jewish leaders and Christian colleges across our country have all contributed as well.

Finally, many outside of government have steadfastly beat the drum calling for action in Sudan. I would be remised if I didn't mention a few of them as well. Nina Shea and Rabbi David Saperstein, both commissioners on the U.S. Commission on International Religious Freedom, Roger Robinson and Adam Penner of the Casey Institute, Michael Horowitz, Professor Eric Reeves of Smith College, Chuck Colson and Mariam Bell of Prison Fellowship, radio personality Joe Madison of WOL-Am in Washington, D.C., Steven Morrison of the Center for Strategic and International Studies, Jerry Fowler of the U.S. Holocaust Museum, and Charles Jacobs of the American Anti-slavery group are just a few of the patriots for justice who have continued the efforts that led to a special envoy being named for Sudan.

Today is a great day of hope for those who speak out for the voiceless and innocent of Sudan who have suffered for too many years. But, today is just the beginning of the efforts that are hoped to bring a just peace to the insanity that has taken place in Sudan for the past two decades.

Today, President Bush described the war taking place in Sudan as brutal and shameful. He said it deserves the attention and compassion of the world if it is to end. Senator Danforth noted that the U.S. can encourage the peace, but can not make it happen on our own. He will need much help in successfully bringing the atrocities to an end.

It is my hope that through much prayer and hard work, both sides in this conflict will resolve to bring an end to the suffering of so many innocent people and end this war for ever. I thank and applaud President Bush, Secretary Powell, Senator John Danforth and everyone involved in making this day happen. I encourage the American people to stay vigilant in seeing to it that peace comes to Sudan. I pray for the people of Sudan that today will mark the beginning of peace in your country.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey (Mr. PALLONE) is recognized for 5 minutes.

(Mr. PALLONE addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from South Dakota (Mr. THUNE) is recognized for 5 minutes.

(Mr. THUNE addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Oregon (Mr. DEFAZIO) is recognized for 5 minutes.

(Mr. DEFAZIO addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

THE U.S. DOLLAR AND THE WORLD ECONOMY

The SPEAKER pro tempore. Under the Speaker's announced policy of January 3, 2001, the gentleman from Texas (Mr. PAUL) is recognized for 60 minutes as the designee of the majority leader.

Mr. PAUL. Mr. Speaker, I have taken a Special Order today to address the subject of the U.S. dollar and the world economy, and in the words of James Madison, the pestilent effects of paper money.

Mr. Speaker, Congress has a constitutional responsibility to maintain the value of the dollar by making only gold and legal silver tender and not to emit bills of credit, that is, paper money. This responsibility was performed relatively well in the 19th century despite the abuse of the dollar suffered during the Civil War and despite repeated efforts to form a Central Bank.

This policy served to maintain relatively stable prices, and the shortcomings came only when the rules of the gold standard were ignored or abused.

In the 20th century, however, we saw the systematic undermining of sound money with the establishment of the Federal Reserve System in 1913 and the outright rejection of gold with the collapse of the Bretton Woods agreement in 1971. We are now witnessing the effects of the accumulated problems of 30 years of fiat money, not only the dollar but also all the world currencies, something the world has never before experienced.

Exactly how it plays out is yet unknown. Its severity will be determined by future monetary management, especially by the Federal Reserve. The likelihood of quickly resolving the deeply ingrained and worldwide imbalances built up over 30 years is remote. Yielding to the addiction of credit creation, as has been the case with every market correction over the past 30 years, remains irresistible to the central bankers of the world. Central planners who occupy the seats of power in every central bank around the world refuse to accept the fact that markets are more powerful and smarter than they are.

The people of the United States, including the U.S. Congress, are far too complacent about the seriousness of the current economic crisis. They remain oblivious to the significance of the U.S. dollar's fiat status. Discussions about the dollar are usually limited to the question of whether the dollar is now too strong or too weak. When money is defined as a precise weight of a precious metal, this type of discussion does not exist. The only thing that matters under that circumstance is whether an honest government will maintain convertibility.

Exporters always want a weak dollar; importers, a strong one. But no one demands a stable, sound dollar, as they should. Manipulation of foreign trade through competitive currency devalu-

ations has become commonplace and is used as a form of protectionism. This has been going on ever since the worldwide acceptance of fiat money 30 years ago. Although some short-term advantage may be gained for certain manufacturers and some countries by such currency manipulation, it only adds fuel to the economic and financial instability inherent in a system of paper money.

Paper money helps the strong and hurts the weak before it self-destructs and undermines international trade. The U.S. dollar, with its reserve currency status, provides a much greater benefit to American citizens than that which occurs in other countries that follow a very similar monetary policy. It allows us to export our inflation by buying cheap goods from overseas while our dollars are then lent back to us to finance our current account deficit. We further benefit from the confidence bestowed on the dollar by our being the economic and military powerhouse of the world, thus postponing the day of reckoning. This permits our extravagant living to last longer than would have otherwise occurred under a gold standard.

Some may argue that a good deal like that should not be denied, but unfortunately the piper must eventually be paid. Inevitably the distortions such as our current account deficit and foreign debt will come to an end with more suffering than anyone has anticipated.

The monetary inflation of the 1990s produced welcomed profits of \$145 billion for the NASDAQ companies over the 5 years between 1996 and 2000. Astoundingly, this entire amount was lost in the past year. This does not even address the trillions of dollars of paper losses in stock values from its peak in early 2000. Congress has expressed concern about the staggering stock market losses but fails to see the connection between the bubble economy and the monetary inflation generated by the Federal Reserve.

Instead, Congress chooses to blame the analysts for misleading investors. The analysts may not be entirely blameless, but their role in creating the bubble is minimal compared to the misleading information that the Federal Reserve has provided with artificially low interest rates and a financial market made flush with generous new credit at every sign of correction over the past 10 years.

By preventing the liquidation of bad debt and the elimination of malinvestment and overcapacity, the Federal Reserve's actions have kept the financial bubble inflated. Of course, it is an easy choice in the short run. Who would deliberately allow the market tendency to deflate back to stability? That would be politically unacceptable.

Talk of sound money and balanced budgets is just that. When the economy sinks, the rhetoric for sound policy and a strong dollar may continue, but all